

DEPARTMENT OF EMPLOYEE TRUST FUNDS INCOME CONTINUATION INSURANCE ADMINISTRATION MANUAL - LOCAL

CHAPTER 2 — ELIGIBILITY CRITERIA

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200 Who is ICI Eligible?

All employees are eligible for, and must be offered, Income Continuation Insurance (ICI) coverage provided they:

- Are employed by an employer participating in both the Wisconsin Retirement System (WRS) and the ICI program;
- Receive earnings for services rendered;
- Have been covered under the WRS for six months, not including any periods of absence without pay. However, local elected officials participating in the WRS are immediately eligible for coverage and must enroll within 30 days of taking office or appointment; and
- Are under age 70 on the ICI coverage effective date.

ICI participation must be offered to all WRS covered employees, including part-time, limited term, substitute, seasonal, and non-represented employees and cannot be limited to a particular department, classification of employees, special interest groups, or union contract groups. In addition, rehired annuitants electing WRS participation and LTDI recipients returning to WRS covered employment must be offered ICI coverage.

Note: Excluded from ICI coverage are employees who do not participate in the WRS including employees in positions not covered under the WRS, employees not working enough hours to qualify for WRS, and police and fire employees under section 40.19 (4), Wis. Stat.

201 Determining ICI Coverage Effective Date

Following six months of participation in the WRS, an employee can become insured by filing an *Income Continuation Insurance Application* (ET-2307) with the employer's payroll/personnel office no later than 30 days after first becoming eligible for ICI. After 30 days, employees desiring coverage must apply through evidence of insurability.

Previous WRS service under any WRS participating employer fulfills the six months WRS participation requirement. The employer must complete a previous service check when the employee is hired to determine whether the employee has previous WRS service. (Refer to Subchapter 206.)

The ICI coverage effective date is dependent upon the employee's previous service and determined as follows:

- **No Previous WRS Service**

For employees beginning WRS covered employment on the first day of a month, add six to that month. For employees beginning WRS covered employment on the second day of a month or later, add seven to that month. Eligibility for ICI begins on the first day of the resulting month, with coverage effective the first of the month following the employer's receipt of the ICI application. (Refer to the chart in Subchapter 202 for ICI eligibility dates and coverage effective dates for each "begin" date in the year.)

- **Previous Service (with a separation benefit)**

Employees rehired after receiving a separation benefit (withdrawal of all available funds from the WRS), are required to complete a new six-month period of WRS service before becoming eligible for coverage. The coverage effective date is determined in the same manner as for an employee with no previous WRS service.

- **Previous Service (without a separation benefit)**

Employees with six months or more previous WRS service are immediately eligible for ICI coverage.

Employees hired with previous WRS service, but less than the required six months, are required to complete the additional months of WRS service needed to reach the six month requirement.

202 Eligibility Dates for New Hires Without Previous Service

An employee may obtain coverage by completing an *Income Continuation Insurance Application* and returning it to the employer's payroll/personnel office no later than 30 days from the ICI eligibility date. The following chart summarizes the ICI eligibility date, application due date and effective date for newly WRS eligible employees who are required to complete six months of service under the WRS. This chart assumes there is no break in service during the first six months. If a break in service occurs, see subchapter 204.

WRS ELIGIBILITY DATE	ICI ELIGIBILITY DATE	ICI APPLICATION DUE DATE	APPLICATION RECEIVED	EFFECTIVE DATE OF COVERAGE
01/01	07/01	07/31	01/01 - 07/01 07/02 - 07/31	07/01 08/01
01/02 - 02/01	08/01	08/31	01/02 - 08/01 08/02 - 08/31	08/01 09/01
02/02 - 03/01	09/01	10/01	02/02 - 09/01 09/02 - 10/01	09/01 10/01
03/02 - 04/01	10/01	10/31	03/02 - 10/01 10/02 - 10/31	10/01 11/01
04/02 - 05/01	11/01	12/01	04/02 - 11/01 11/02 - 12/01	11/01 12/01
05/02 - 06/01	12/01	12/31	05/02 - 12/01 12/02 - 12/31	12/01 01/01
06/02 - 07/01	01/01	01/31	06/02 - 01/01 01/02 - 01/31	01/01 02/01
07/02 - 08/01	02/01	03/03	07/02 - 02/01 02/02 - 02/29	02/01 03/01
08/02 - 09/01	03/01	03/31	08/02 - 03/01 03/02 - 03/31	03/01 04/01
09/02 - 10/01	04/01	05/01	09/02 - 04/01 04/02 - 04/30	04/01 05/01
10/02 - 11/01	05/01	05/31	10/02 - 05/01 05/02 - 05/31	05/01 06/01
11/02 - 12/01	06/01	07/01	11/02 - 06/01 06/02 - 07/01	06/01 07/01
12/02 - 12/31	07/01	07/31	12/02 - 07/01 07/02 - 07/31	07/01 08/01

IMPORTANT: For applications received on or before the eligibility date, coverage is effective on the eligibility date. If the application is received after the eligibility date, but on or before the application due date, coverage is effective on the first of the month following the application received date.

203 Rehired/Returning Employee Eligibility

Employees who have previously served and still have credited at least six months under the WRS (with state and local government employers) are immediately eligible and must enroll within 30 days of hire or of returning from leave of absence or lay-off. The following charts show when rehired employees are eligible to enroll for ICI and whether or not evidence of insurability is required. Chart I represents previously eligible, uninsured employees. Chart II represents previously insured employees.

Chart I			
ICI Eligibility for PREVIOUSLY ELIGIBLE NON-INSURED Rehired/Returning Employees			
Situation		ICI Eligible?	Effective Date
1.	Goes on leave of absence and returns to covered employment with the same employer	Yes - Through Evidence of Insurability (EOI)	1 st of the month following approval through EOI.
2.	Goes on military leave and returns to the same employer	Yes - Through EOI	1 st of the month following approval through EOI.
3.	Terminates, takes a separation benefit (withdraws available contributions) from WRS and returns to covered employment with the same employer	Yes – Following completion of six calendar months under WRS	1 st of the month following employer's receipt of timely ICI Application (but not prior to completion of six months WRS service).
4.	Terminates, leaves WRS contributions in system and returns to covered employment with the same employer within 30 days	Yes - Through EOI	1 st of the month following approval through EOI.
5.	Terminates, leaves WRS contributions in system and returns to covered employment with the same employer after 30 days	Yes	1 st of the month following employers receipt of timely ICI Application.
6.	Terminates, leaves WRS contributions in system and returns to covered employment with different WRS employer under ICI	Yes	1 st of the month following employers receipt of timely ICI Application.

Chart II				
ICI Eligibility for PREVIOUSLY INSURED Rehired/Returning Employees				
Situation		ICI Eligible?	Effective Date	Can Elimination Period Be Shortened?
1.	Goes on leave of absence and returns to covered employment with the same employer	Yes	1 st of the month following employer's receipt of timely ICI application.	Yes – Through Evidence of Insurability (EOI)
2.	Goes on military leave and returns to the same employer	Yes	1 st of the month following employer's receipt of ICI application.	Yes – Through EOI
3.	Terminates, takes a separation benefit (withdraws available contributions) from WRS and returns to covered employment with the same employer	Yes – following completion of six calendar months under WRS	1 st of the month following employer's receipt of timely ICI application	Yes
4.	Terminates, leaves WRS contributions in system and returns to covered employment with the same employer within 30 days	Yes	1 st of the month following employer's receipt of timely ICI application	Yes – Through EOI
5.	Terminates, leaves WRS contributions in system and returns to covered employment with the same employer after 30 days	Yes	1 st of the month following employer's receipt of timely ICI application	Yes
6.	Terminates, leaves WRS contributions in system and returns to covered employment with different WRS and ICI participating employer	Yes	1 st of the month following employer's receipt of timely ICI application	Yes

204 Interrupted Service/Leaves of Absence

Interrupted service occurs when the employee/employer relationship remains intact but the employee performs no service and receives no pay. When an interruption in service occurs during an employee's first six months under the WRS, any months where service was performed (including paid leave time) count toward the completion of six months for ICI eligibility purposes. Months with no service do not count toward the six-month WRS service requirement and will extend the ICI eligibility date.

The following are examples of how to determine the effective date of ICI coverage for employees with interrupted service (leaves of absence).

Leaves of Absence (LOA)

Employees who go on an unpaid leave of absence within the first six months of employment are required to complete additional months of WRS service to qualify for ICI coverage. Months in which no service is performed do not count toward the six month WRS service requirement and extend the employee's ICI eligibility date accordingly.

Refer to Subchapter 202 for application receipt dates and coverage effective dates.

➤ Unpaid LOA before completion of six-month WRS service requirement

EXAMPLE 1:	Employee Hired	January 10, 2005
	Employee Begins Unpaid Leave	February 5, 2005
	Employee Returns to Work	May 21, 2005
	Effective Date of Coverage	October 1, 2005

No hours worked in March and April.

Add 7 to the month of January ($1 + 7 = 8$), to equal August (8).

Add 2 for the months not worked ($8 + 2 = 10$) to equal October (10).

October 1, 2005 is the employee's coverage begin date.

EXAMPLE 2:	Employee Hired	January 10, 2005
	Employee Begins Unpaid Leave	February 5, 2005
	Employee Returns to Work	January 10, 2006
	Effective Date of Coverage	June 1, 2006

Add 7 to the month of January ($1 + 7 = 8$).

Add 10 for months not worked ($8 + 10 = 18$).

For any result over "12," subtract 12 from your answer to get the correct month and then add 1 year to the current year.

$18 - 12 = 6$. The effective date of coverage is June 1, 2006.

➤ Paid LOA before completion of six-month WRS service requirement

Months with any hours of paid leave are counted as if the person had worked during those months.

➤ **LOA (Paid or Unpaid) for employee currently covered under ICI**

ICI covered employees who take a leave of absence (paid or unpaid) may continue ICI coverage during the approved leave of absence. The maximum time ICI coverage may be continued is 36 months, except for insured employees on union service leave, as defined under §40.02 (56), Wis. Stat., who may continue to be insured for the duration of that leave.

➤ **Military Leave**

Military leave, for ICI coverage purposes, is generally treated the same as any unpaid leave of absence when determining the ICI eligibility date. Months on military leave do not count towards the six months criteria for ICI eligibility if the leave occurs during the first six months of employment.

However, an employee on military leave who meets the following criteria will be treated as being on a paid leave of absence:

- The employee is activated on or after January 1, 2003 to serve, or is serving on military duty in the U.S. armed forces, other than for training purposes.
- On the date activated, the employee is a member of the Wisconsin National Guard or a member of a reserve component of the U.S. armed forces or is recalled to active military duty from the inactive reserve status.
- The employer pays the employee's salary, less any military pay and housing allowances, during the period in which the employee is on military duty in the U.S. armed forces, unless the military pay and housing allowances equal or exceed the employee's salary.

Any months on military leave of absence meeting the criteria above count toward the six months WRS participation requirement for ICI eligibility. Should that occur and the employee files the ICI enrollment application with the employer prior to the military leave, the employer must follow the normal process and collect ICI premiums.

For applications not received by the employer prior to the eligibility date, the ICI enrollment application must to be received by the employer no later than 30 days after the return to work from active military leave. The ICI coverage effective date is the first of the month following the employer's receipt of the completed ICI application.

ICI covered employees on active military leave who allow their ICI coverage to lapse may reinstate by filing an ICI enrollment application with the employer no later than 30 days after the return to work from active military leave. The employee is not required to file for coverage under evidence of insurability. Premiums resume in the same amount as before the active military leave, unless an annual premium or salary adjustment has occurred in the interim.

205 Settlement Agreements and Reinstatement

Some employee/employer disputes are the result of discharge from employment. If an ICI covered employee is reinstated following a settlement agreement resolving the dispute:

- The employee may only enroll for the same or longer elimination period in effect on the date of the disputed termination.
- A completed application must be filled with the employer no later than 30 days after the return to active employment.
- The effective date of the insurance is determined as if the employee were rehired on the date of the reinstatement. Coverage becomes effective the first of the month following the employer's receipt of the application.

206 WRS Previous Service Check

A WRS previous service check must be performed for each employee applying for ICI in order to determine the correct coverage effective date.

Note: Without a previous service check, it is possible to miss an employee's initial enrollment period which may result in denial of coverage.

ETF provides three methods for employers to use in determining whether an employee has previous WRS service:

- A. Access the Previous Service Benefit Inquiry screen on ETF's Internet site at <http://etf.extranet.it.state.wi.us>.

Note: This is a password-protected site. To obtain access, see Chapter 24 of the Wisconsin Retirement System Administration Manual.

- B. Complete the *WRS Previous Service Check* form (ET-1715) found in Subchapter 207 and fax it to ETF at (608) 266-5801.
- C. Call the Employer Communication Center at (608) 264-7900 and request a previous service check.

207 WRS Previous Service Checks Form (ET-1715)

Department of Employee Trust Funds
Division of Employer Services
PO Box 7931 - Madison WI 53707-7931
Fax: (608) 266-5801

WRS PREVIOUS SERVICE CHECKS

To verify previous Wisconsin Retirement System (WRS) service, complete the following information: your name/agency, phone number, fax, EIN, re: employee's name, Social Security Number, date of birth and date sent. Do not write in the ETF Review area, additional comments or completion date.

From: Name/Agency	Phone Number:	Fax:	EIN: 69-036-
Re:	Social Security Number:	Date of Birth:	Date Sent:
<p style="text-align: center;">ETF Review</p> <p><input type="checkbox"/> No previous service.</p> <p><input type="checkbox"/> Qualifying state service. ____ months.</p> <p><input type="checkbox"/> Qualifying local service. ____ months.</p> <p><input type="checkbox"/> Took a separation benefit on ____.</p> <p><input type="checkbox"/> Is an annuitant:</p> <p><input type="checkbox"/> WRS Termination date is ____.</p> <p><input type="checkbox"/> Retirement Annuity application received by ETF on ____.</p> <p><input type="checkbox"/> Retirement Annuity effective date is ____.</p>			
Additional Comments:			Completion Date:

Re:	Social Security Number:	Date of Birth:	Date Sent:
<p style="text-align: center;">ETF Review</p> <p><input type="checkbox"/> No previous service.</p> <p><input type="checkbox"/> Qualifying state service. ____ months.</p> <p><input type="checkbox"/> Qualifying local service. ____ months.</p> <p><input type="checkbox"/> Took a separation benefit on ____.</p> <p><input type="checkbox"/> Is an annuitant:</p> <p><input type="checkbox"/> WRS Termination date is ____.</p> <p><input type="checkbox"/> Retirement Annuity application received by ETF on ____.</p> <p><input type="checkbox"/> Retirement Annuity effective date is ____.</p>			
Additional Comments:			Completion Date:

Re:	Social Security Number:	Date of Birth:	Date Sent:
<p style="text-align: center;">ETF Review</p> <p><input type="checkbox"/> No previous service.</p> <p><input type="checkbox"/> Qualifying state service. ____ months.</p> <p><input type="checkbox"/> Qualifying local service. ____ months.</p> <p><input type="checkbox"/> Took a separation benefit on ____.</p> <p><input type="checkbox"/> Is an annuitant:</p> <p><input type="checkbox"/> WRS Termination date is ____.</p> <p><input type="checkbox"/> Retirement Annuity application received by ETF on ____.</p> <p><input type="checkbox"/> Retirement Annuity effective date is ____.</p>			
Additional Comments:			Completion Date: